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SUBJECT: Business and Other Associations Stay Neutral on Tight
Kaohsiung Mayoral Race

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11. (SBU) Summary: Professional associations, business groups, and unions in Kaohsiung are choosing to remain neutral rather than risk backing a potential loser in the tight mayoral race between KMT Candidate Huang Chun-ying and DPP Candidate Chen Chu on December 9. Some AIT/K contacts suggest that corruption allegations against President Chen and his family are weighing heavily on Chen Chu's prospects in the December 9 election. End Summary.

Teachers Learn Hard Lessons from the Past

12. (SBU) The 9000-member Kaohsiung Teachers' Association is reluctant to openly endorse a candidate in the still neck and neck December 9 Kaohsiung mayoral election, although it has traditionally affiliated itself with the Democratic Progressive Party (DPP). The Chairman told AIT/K that the Association learned a "hard lesson" eight years ago after several candidates they publicly backed in city council and legislative elections were ensnared in bribery scandals once elected. Since then, the Association has chosen not to back individual candidates, instead preferring to provide members with the results of surveys that it conducts on candidates' views and policies on matters of interest to the Association.

13. (SBU) The Chairman, nevertheless, was quick to praise former Kaohsiung City mayor Frank Hsieh (DPP) for taking action on the Association's main concerns, including improving the teacher retirement system. While the Association has had less interaction with KMT candidate Huang Chun-ying, the Vice Chairman noted that then-Deputy Mayor Huang played a significant role 10 years ago in helping local teachers establish the Association. The Association's executive secretary stressed that it is very important for all teachers and the Association to maintain neutrality because in the past politics has had too much influence on Taiwan education policy.

14. (SBU) The Chairman lamented that the focus of Kaohsiung's mayoral election has shifted from city development to the issue of corruption and rivalry between President Chen Shui-bian and KMT Chairman Ma Ying-jeou. Stressing that the Association's main concern is with educational reform, the Chairman expressed frustration over the failure of Taiwan society to keep politics separate from education.

15. (SBU) Several business and labor leaders recently told AIT/K that they also are not planning to endorse a particular candidate for Kaohsiung mayor, stressing that maintaining public neutrality is their best strategy. China Steel Union (CSU) Representative Wu Shun-tsai said that his union has adopted this stance, but only after a proposal to ask members to choose a candidate to support in the election proved too controversial. Wu added that in the past the CSU has made financial contributions to legislators who can influence issues that impact the Union and its members.

16. (SBU) Despite a public display of neutrality, eighty percent of Kaohsiung Architects Association members identify ideologically with the DPP, Association head Kuo Min-neng recently told AIT/K. Kuo, also a member of the Board of Directors of the city-owned Bank of Kaohsiung, noted he had worked closely with former Kaohsiung mayor Frank Hsieh, adding that he is concerned DPP candidate Chen Chu could lose the election because of President Chen's scandals and the Kaohsiung Metro corruption probe. Despite having "Green" credentials, Kuo said that he and his colleagues plan to remain publicly neutral because their livelihoods depend heavily on being able to work with the government on land use issues. As a result, they have hedged their bets by providing financial support to both the DPP and KMT mayoral candidates.

17. (SBU) Kaohsiung Computer Association President Henry Wang, also a long-time Green supporter, told AIT/K that the election is extremely close, predicting that youth and swing voters will play a determining factor. Wang credited Frank Hsieh with improving Kaohsiung's image. He complained that the pan-Blue mass media often distorts the DPP's performance, which has a disproportionate impact

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on the young, who tend to uncritically accept television news reports as fact.

18. (SBU) Reluctant to endorse one party over another, Kaohsiung Industrial Association President Alex Horng told AIT/K that Kaohsiung needs an aggressive mayor who has the ability to deliver results. While Association members want a clean and effective government, he added, they would prefer a corrupt government that can deliver results to one that is ultra-clean but ineffective. A super-clean politician cannot navigate the underworld of Taiwan politics, Horng argued, citing the Kaohsiung Metro as an example of a project that is nearing completion despite corruption allegations. Nevertheless, allegations of President Chen's corruption are an embarrassment to Taiwan, Horng observed, and he predicted this issue will have a large negative impact on Chen Chu and other DPP candidates.

THIELE

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